

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
FISCAL ANALYST
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
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ANNE MARIE LANGAN
ASSISTANT FISCAL ANALYST
(313) 224-1078

TO: COUNCILMEMBERS

FROM: Irvin Corley, Jr., Director

DATE: April 4, 2007

RE: Appraisals for Parcels 246A and 246B to be sold to Detroit River Tunnel Partnership

Attached are the appraisals that the Administration provided to our office after Tuesday's meeting for land on the east side of 14th Street between Bagley and Howard and the Michigan Central Rail Corridor extending between 20th Street and West Fort Street.

The appraisals date back to 2002 and valued the parcels at \$2,250,900. The developer has offered to purchase the land for \$2,500,000.

Because the parcel numbers differ from the Council letter, the letter is attached as well.

INTEGRA

Realty Resources
DEAN APPRAISAL - DETROIT

October 28, 2002

Lawrence D. McLaughlin, Esq.
Honigman, Miller, Schwartz, & Cohn
2290 1st National Building
Detroit, Michigan 48226-3583

RR Tunnel
246 A & B } "Exhibit 4"
14th Street between
Bagley & Howard

RE: Parcel Numbers 7, 8, 20 to 26, & 28-30
City of Detroit Owned Right-of-Ways
Detroit, Michigan

Dear Mr. McLaughlin:

We are pleased to transmit the appraisal report that was prepared on the referenced land parcels. The purpose of the appraisal is to estimate the Market Value of the Fee Simple interest of each parcel. The attached report sets forth the data, research, analyses, and conclusions for this appraisal.

This report has been prepared in keeping with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP) and the Code of Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

It is noted that Honigman, Miller, Schwartz, & Cohn has the right to assign this report to their client who will ultimately be acquiring the Subject lands.

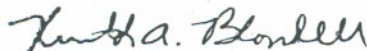
Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in this report, it is our opinion that, as of September 24, 2002, the market value of the Fee Simple interest of the Subject parcels are as follows:


Parcel #	Market Value	Parcel #	Market Value
7	\$2,800	24	\$ 2,400
8	\$1,700	25	\$ 5,700
20	\$4,800	26	\$ 8,100
21	\$8,200	28	\$ 9,000
22	\$4,300	29	\$10,100
23	\$2,300	30	\$ 6,700

Respectfully submitted,

Total appraised value \$2,250,900

INTEGRA DEAN APPRAISAL


Kenneth A. Blondell, MAI
Certified General Appraiser #1201001309


Thomas H. Chuba
Certified General Appraiser #1201001314

LOCAL EXPERTISE...NATIONALLY

October 28, 2002

Lawrence D. McLaughlin, Esq.
Honigman, Miller, Schwartz, & Cohn
2290 1st National Building
Detroit, Michigan 48226-3583

RE: **Parcel Numbers E-1 to E-4**
City of Detroit Owned Rail Corridor
Detroit, Michigan

Dear Mr. McLaughlin:

We are pleased to transmit the appraisal report that was prepared on the referenced parcels. The purpose of the appraisal is to estimate the Market Value of the Fee Simple interest of each parcel. The attached report sets forth the data, research, analyses, and conclusions for this appraisal.

This report has been prepared in keeping with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP) and the Code of Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

It is noted that Honigman, Miller, Schwartz, & Cohn has the right to assign this report to their client who will ultimately be acquiring the Subject lands.

Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in this report, it is our opinion that, as of September 24, 2002, the market value of the Fee Simple interest of the Subject parcels are as follows:

Parcel E-1 – \$ 70,700
Parcel E-2 – \$669,800
Parcel E-3 – \$576,000
Parcel E-4 – \$ 41,400 (Easement)

Respectfully submitted,

INTEGRA DEAN APPRAISAL



Kenneth A Blondell, MAI
Certified General Real Estate Appraiser #1201001309



Thomas H. Chuba
Certified General Real Estate Appraiser #1201001314

LOCAL EXPERTISE...NATIONALLY

October 28, 2002

Lawrence D. McLaughlin, Esq.
Honigman, Miller, Schwartz, & Cohn
2290 1st National Building
Detroit, Michigan 48226-3583

RE: Parcel Numbers 5, 9 to 18, & 27
City of Detroit Owned Parcels of Land
Detroit, Michigan

Dear Mr. McLaughlin:

We are pleased to transmit the appraisal report that was prepared on the referenced land parcels. The purpose of the appraisal is to estimate the Market Value of the Fee Simple interest of each parcel. The attached report sets forth the data, research, analyses, and conclusions for this appraisal.

This report has been prepared in keeping with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP) and the Code of Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

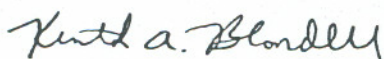
It is noted that Honigman, Miller, Schwartz, & Cohn has the right to assign this report to their client who will ultimately be acquiring the Subject lands.

Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in this report, it is our opinion that, as of September 24, 2002, the market value of the Fee Simple interest of the Subject parcels are as follows:

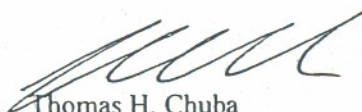
Parcel #	Market Value		Parcel #	Market Value
5	\$ 4,600		14	\$ 42,100
9	\$345,600		15	\$ 5,900
10	\$ 25,700		16	\$108,600
11	\$ 2,700		17	\$143,000
12	\$ 49,700		18	\$ 14,800
13	\$ 33,900		27	\$ 50,300

Respectfully submitted,

INTEGRA DEAN APPRAISAL



Kenneth A. Blondell, MAI
Certified General Appraiser #1201001309



Thomas H. Chuba
Certified General Appraiser#1201001314

LOCAL EXPERTISE...NATIONALLY

March 14, 2007

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Property For Sale By Purchase Agreement and Development Agreement – Exhibit 4
Development: Parcel 246A; located on the east side of 14th Street between Bagley
& Howard & Parcel 246B; located on the south side of the former Michigan
Central Rail Corridor extending between 20th St. & W. Fort St.

Honorable City Council:

We are in receipt of an offer from Detroit River Tunnel Partnership, an Ontario Partnership, to purchase the above-captioned property and to develop such property. This vacant land along with the easement property contains approximately 901,959 square feet or 20.7 acres and is zoned M-4 (Intensive Industrial District).

The Detroit River Tunnel Partnership proposes to use this property in conjunction with their adjacent property to develop a new single-track rail tunnel under the Detroit River to accommodate their railroad business expansion. The proposal for the development of Parcel 246A and Parcel 246B has been presented to the Detroit Housing Commission and approved by that Body on June 19, 2003. This use is permitted as a matter of right in a M-4 zone.

Parcel 246A

Parcel 246A is located on the east side of 14th Street between Bagley and Howard and is to be sold under Development Agreement to Detroit River Tunnel Partnership, for the amount of Six Hundred Seventy Five Thousand and 00/100 Dollars (\$675,000).

Parcel 246B

Parcel 246B is located on the south side of the former Michigan Central Rail Corridor, extending between 20th Street and West Fort Street and is to be sold under the Purchase Agreement, with easement rights granted, to Detroit River Tunnel Partnership for a total purchase price of One Million Eight Hundred Twenty Five Thousand Dollars and 00/100 (\$1,825,000), of which Two Hundred Fifty Thousand Dollars and 00/100 (\$250,000) is currently held by the City as an earnest money deposit and Five Hundred Thousand Dollars and 00/100 (\$500,000), is payable at such time as the construction of the new rail tunnel commences.

We, therefore, request that your Honorable Body approve the sale of Parcel 246A by Development Agreement, and authorize the Planning & Development Department's Director, or his authorized designee, to execute a Development Agreement, with easement rights granted, with respect to the purchase and development of Parcel 246A, with Detroit River Tunnel Partnership, an Ontario Partnership, together with a quit claim deed to the property and such other documents as may be necessary to effect the sale, for the amount of \$675,000.

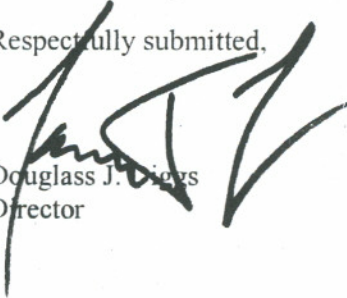
Honorable City Council

March 14, 2007

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We, further, request that your Honorable Body approve the sale of Parcel 246B by Purchase Agreement and authorize the Planning & Development Department's Director, or his authorized designee, to execute and deliver the Purchase Agreement, and to sign and deliver a quit claim deed and such other documents as may be necessary to effect the sale, with easement rights granted, to the Detroit River Tunnel Partnership, an Ontario Partnership, for the amount of \$1,825,000 of which \$250,000 is currently held by the City as a deposit and \$500,000 is be payable at such time as the construction of the new rail tunnel commences.

Respectfully submitted,



Douglass J. Briggs
Director

DJD/CBN/cdc

cc: Kandia Milton, Mayor's Office
C. Nyeche
C. Lee
V. Upshaw

By Council Member _____

RESOLVED, that the Development Agreement is hereby approved and the Planning & Development Department's Director, or his designee, be and is hereby authorized to execute a Development Agreement with easement rights granted, with respect to the purchase and development of Parcel 246A, more particularly described in the attached Exhibit A, together with a quit claim deed to the property and such other documents as may be necessary to effect the sale, with Detroit River Tunnel Partnership, an Ontario Partnership, for the amount of \$675,000.

(See Attached Exhibit A)

And be it further

RESOLVED, that the Purchase Agreement is hereby approved and the Planning & Development Department's Director, or his designee, is hereby authorized to execute and deliver the Purchase Agreement with respect to the purchase and development of Parcel 246B, more particularly described in the attached Exhibit A-I, and to sign and deliver a quit claim deed and such other documents as may be necessary to effect the sale, with easement rights granted, for Parcel 246B, to the Detroit River Tunnel Partnership, an Ontario Partnership, for the amount of \$1,825,000, with a total sales price for Parcels 246A and 246B being \$2,500,000.

(See Attached Exhibit A-I)

And be it further,

RESOLVED, that these agreements be considered confirmed when executed by the Planning & Development Department's Director, or his authorized designee, and approved by the Corporation Counsel as to form.